Recovery of loans by goons of banks and financial institutions

†175. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether banks and financial institutions are taking services of goons for recovery of loans from so called defaulters;

(b) whether Supreme Court has expressed strong displeasure in January, 2007 on taking services of goons by banks and financial institutions for recovery of loans from defaulters; and

(c) if so, whether Government have taken any steps to take action as per rules by banning the use of goons for recovery of loans by banks and financial institutions from defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Reserve Bank of India (RBI) has received complaints against various banks alleging harassment and use of unfair means adopted for recovery purposes.

(b) RBI has reported that the reference appears to be related to the Case (Manager, ICICI Bank Ltd. Vs. Prakash Kaur and Others) which had come up for hearing before the Supreme Court of India in January 2007. RBI has received a copy of the notice dated 17.01.2007 alongwith Order dated 15.1.2007 passed by the Supreme Court wherein the matter was posted for further hearing. However, a perusal of the said order indicates that no such inference can be drawn.

(c) As per RBI's "Fair Practice Code for Lenders" communicated to banks for implementation in July, 2006, it is *inter-alia,* stipulated that in the matter of recovery of loans, the lenders should not resort to undue harassment *viz.* persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

RBI has also issued instruction to all commercial banks/NBFCs (excluding Regional Rural Banks) regarding Credit Card Operations which *inter-alia* stipulate that their agents should not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intending to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

†Original notice of the question was received in Hindi.

The Indian Banks' Association has also formulated a "Model Code for collection of dues and repossession of security" which has been recommended to banks for adoption and implementation. As per the Model Code, banks commit to maintaing Dignity and Respect to customers in their Debt Collection Policy and not follow policies that are unduly coercive in collection of dues.

Increase in prices of essential commodities

†176. SHRI SATYAVRAT CHATURVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) the extent to which the prices of consumer items of common use have risen in the last one year;

(b) the number of times the price of milk in Delhi has been increased and the amount thereof alongwith the reasons therefor;

(c) the steps taken by Government to check the price rise; and

(d) whether Government propose to reduce the customs duty on products and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Sir, the Consumer Price Index (CPI-IW) which reflects the change in prices for the consumer items of common use, for the last twelve months is indicated in the Table below:

2006	Monthly inflation rate (%) (Point-to-point)
January	4.37
February	4.95
March	4.95
April	5.10
May	6.26
June	7.56
July	6.69
August	6.30
September	6.83
October	7.30
November	6.33
December	6.91

†Original notice of the question was received in Hindi.